



**Testimony Before the
House Health Care Committee regarding Support for HB 3021-1
Presented by Mary Beth Buffam
on behalf of the Oregon Medical Association
March 13, 2015**

Chair Greenlick, members of the committee, thank you for allowing me to testify today. My name is Mary Beth Buffam. I am the practice manager for Dr. Bradley Bergquist and we are members of the Oregon Medical Association. Dr. Bergquist is a neurological surgeon practicing in Hillsboro. We are a small solo practice and I am responsible for all aspects of his practice. I tell you this because I want you to keep my time in mind as I tell you my story.

The -1 amendment to HB 3021 increases payment method transparency for providers and establishes clear criteria for how virtual credit card payments are made to providers. Virtual credit cards are an electronic form of reimbursement that is utilized by health plans to pay providers. Virtual credit card payments are sent to our office in the form of a number and pin that can be entered using our standard credit card technology. However, due to the lack of a physical card being present, the transaction is subject to higher processing and interchange fees, sometimes as high as 5%! In order to receive the payment, we must pay the processing fees which reduces our overall reimbursement from the insurer. We are not generally given advance notice of these fees and “opting-out” of this form of payment has been a hassle. I’d like to share a recent experience I had with a virtual credit card company when I tried to opt-out.

I recently received a virtual credit card from a third party credit card company for a claim paid by a health plan. There was no phone number included to opt out. I looked them up online and called the number from the website. I was told they don't have the ability to handle the opt-out over the phone, but that if I go online I can simply check some boxes and opt out that way.

When I went to the website, the registration process required acceptance of their terms and conditions before I could proceed through the process. The terms and conditions did include language stating that the provider would agree to have payments credited AND debited from the business checking account as well as agree to virtual payments. I had not yet entered any of this information but was not willing to agree to the terms without more information and therefore, was unable to move beyond this step in the online opt-out process.

Additionally, the virtual payment they sent didn’t give me enough information to accurately identify my patient and when I called the third party credit care company for more information about the payment, I was told it would be a violation of HIPAA for them to reveal that information. The only option I had to find out the patient information was to use their online

process, which I had already attempted. I was able to confirm the patient's identity by calling the health plan directly.).

I made one last effort to resolve this issue with a follow up call to the credit card company. It was on this call that I was informed that if the practice did not run the virtual credit card information, after 30 days, it would revert to a paper check. However, the statement I received with the virtual credit card numbers had no issuance date on the notice and only indicated that the "card" was valid through 02/19. After waiting on hold for a supervisor, I was able to get an expiration date. I was given a fax number and mailing address to file a formal complaint.

Two days ago I called the credit card company again to find out the status of our payment—which still hadn't arrived, 10 days after the 30 day period. I was told the insurer issues the check, therefore they couldn't tell me the status. I called the insurer and was told the credit card company issues the checks, but she offered to have her manager get back to me. It appeared they were having as much difficulty with the credit care company as I was. I called the credit card company again and was told the virtual CC expired 2/3/15—4 days later than I was told originally. The woman I spoke to also said that a check should have been issued March 4 (7 days before the phone call), but that no check had actually been issued. However, we should receive a check by March 18. Do you feel like you are in the middle of a Joseph Heller novel?

Our clinic is registered to receive EFT payments using the Automated Clearing House (ACH). As of January 2014, health plans are required to offer registered providers the option of ACH EFT payments. However, as you can see by my experience, the ACH EFT method is not always honored nor is it easy to request alternate payment method in a timely fashion.

HB 3021-1 doesn't take away a provider's ability to accept a virtual credit card payment or prohibit the health plan from offering this type of payment; instead, it sets up clear expectations of the health plan and ensures provider flexibility in how they accept payment. As I said earlier, ours is a small practice. Dealing with this one insurer over a \$72 payment has consumed at least an hour of my time—an hour that I am not spending on other important tasks, including patient care. If I had the opportunity to opt out ahead of claims processing, we would have been reimbursed by now. In fact, I took a look at the other secondary payments for this same patient and all were paid by check within a week of the primary claim.

I would like to thank you once again for the opportunity to address the committee regarding this very important topic and I'm happy to answer any questions.

The Oregon Medical Association is an organization of over 7,500 physicians, physician assistants, and medical students organized to serve and support physicians in their efforts to improve the health of Oregonians. Additional information can be found at www.theOMA.org.